



0000151499

## BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman

GARY PIERCE

BRENDA BURNS

BOB BURNS

SUSAN BITTER SMITH

2014 MAR -3 A 11: 31

AZ CORP COMMISSION  
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF ELECTRIC ENERGY ) DOCKET NO. E-00000U-14-0049  
EFFICIENCY STANDARDS REPORTS FOR 2014 )NOTICE OF FILING  
DEMAND-SIDE MANAGEMENT  
PROGRESS REPORT FOR 2013

Morenci Water and Electric Company ("MWE") submits its Demand-Side Management Progress Report as required by A.A.C. R14-2-2409(A) for the 2013 calendar year (including data through January 2014).

RESPECTFULLY SUBMITTED this 3<sup>rd</sup> day of March, 2014.

MORENCI WATER AND ELECTRIC COMPANY

By

Jason D. Gellman

KOSHK A DEWULF &amp; PATTEN, PLC.

One Arizona Center

400 East Van Buren Street, Suite 800

Phoenix, Arizona 85004

Original and thirteen copies of the foregoing  
filed this 3<sup>rd</sup> day of March 2014, with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Arizona Corporation Commission  
DOCKETED

MAR 03 2014

DOCKETED BY

1 Copy of the foregoing hand-delivered  
this 3<sup>rd</sup> day of March, 2014, to:

2 Lyn A. Farmer, Esq.  
3 Chief Administrative Law Judge  
Hearing Division  
4 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
5 Phoenix, Arizona 85007

6 Janice Alward, Esq.  
7 Chief Counsel, Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
8 Phoenix, Arizona 85007

9 Steve Olea  
Director, Utilities Division  
10 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
11 Phoenix, Arizona 85007

12   
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

## ***Morenci Water and Electric Company***

### ***Energy Efficiency Standard Compliance Report***

#### ***Compliance Year 2013***

Morenci Water and Electric Company ("MWE") submits its Demand-Side Management ("DSM") Progress Report for the 2013 calendar year – as required by A.A.C. R14-2-2409(A). MWE was able to launch its programs in May 2013. In general, MWE has a small administrative staff and limited resources to implement the particular programs in a cost-effective manner. Unlike other utilities with personnel dedicated exclusively to implementing Energy Efficiency and Demand-Side Management programs and measures, MWE personnel have several responsibilities in addition to Energy Efficiency measures.

MWE will continue to make best efforts to encourage customer participation in the programs so that the maximum amount of savings can be achieved within MWE's service territory.

#### ***CFL Program***

MWE has given away a total of 234 CFLs to 39 customers. MWE's program is in accordance with its approved plan and basically gave away CFLs to eligible customers. MWE had determined that it would have been too complicated and not cost effective to establish the discount pricing program, as explained in its 2012 compliance report. MWE determined that it would be cost-effective to implement a CFL giveaway program by purchasing the CFL's and distributing them to our customers at the MWE office with a handout that explains the savings. The total cost of the program was \$1,311.57. MWE, to the best of its ability, has included the cost-effectiveness of the CFL program to date in the accompanying spreadsheet. The cost-benefit information is current through January 2014.

#### ***Appliance Recycling Program***

As explained in its 2012 compliance report, MWE encountered significant difficulty in securing a contractor. After significant efforts, MWE could not locate a contractor either locally (within its service territory) or in Safford to pick up the appliances. MWE was able to find a contractor based out of Phoenix willing to pick up appliances in MWE's service territory – with the assistance from SEACAP. MWE secured the contractor in May 2013, and notified customers through a bill insert.

MWE intends to monitor when appliances are to be picked up, the number of appliances recycled, and obtaining the specifications on the new and old appliances, through its contractor. To date, no customers have requested this service. One customer who had originally requested this service apparently decided to give his refrigerator to another customer. Thus, MWE has not incurred any specific program cost for the program. Therefore, there is no cost-benefit analysis done for this program.

### ***LIW Program***

MWE has secured the assistance of SEACAP to implement this program. That was done in May 2013. But there has been no customer participation, environmental benefits or savings to this point. Thus, MWE has not incurred any specific program cost for the program. Because there has been no customer participation and no specific costs incurred, there is no cost-benefit analysis done for this program.

### ***Education & Outreach Program***

MWE does not have a separate marketing department. It has provided pamphlets to 500 customers at a cost of \$280.00 through January 2014.

**DSM Summary of Participation and expenses Compared to Budget: September 2013 - January 2014**

<b>DSM Program</b>	<b>Participants</b>	<b># Measures</b>	<b>Expenses YTD</b>	<b>2013 Budget</b>
Efficient Products (CFL's)	39	234	\$1,311.57	\$3,800
Refrigerator Recycle Program	0	0	0	1,750
Low Income Weatherization	0	0	0	\$16,500
Education & Outreach Program	N/A	500	\$280.00	\$1,050
Total	N/A	734	\$1,014	\$23,100

**COMPACT FLUORESCENT LAMP (CFL) PROGRAM**

**Inputs and Assumptions**

5.47 hours per day = 2,000 hours per year  
5-year average life  
  
Energy Rate (per kWh) \$0.07628  
Combined kWh savings over useful life per bulb 330  
TRC Discount Rate 8.50%  
SC Discount Rate 5.00%

**CALCULATION**

**Benefit Cost Ratio**

234

CFLs given away 15,444  
kWh savings (bulbs installed same year) 1,311.57  
kWh savings (cumulative) 1,178.07  
Program Cost 1,000.72  
Avoided cost savings 1,114.12  
TRC Benefit 0.90  
TRC Cost 1,068.54  
TRC Ratio 19.58  
SC Benefit (before Water Savings) 1,088.13  
Water Benefit at \$0.0040 per gallon 1,189.63  
Total SC Benefit 0.91  
SC Cost  
SC Ratio

Net Benefits (TRC) \$ (113.40)  
Net Benefits (SC) \$ (101.51)

Water Savings (assuming 317 gallons / MWh)  
SOX Savings (assuming 0.00445 lbs per MWh) 24,478.74 gallons  
NOX Savings (assuming 0.08455 lbs per MWh) 0.34 lbs  
6.53 lbs